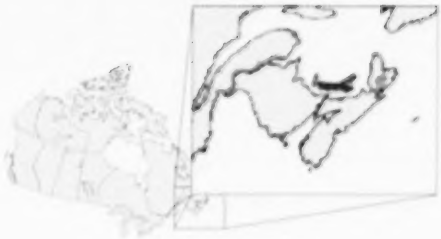
Labour Market Bulletin

Prince Edward Island



April 2018

This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Prince Edward Island.

OVERVIEW

Labour market conditions remain healthy in Prince Edward Island. The labour force averaged 84,300 in April 2018, which is a four year high; and 1,000 less than the record posted in February 2013. The Island labour force has been on an increasing trend over the past two years, having risen 6.5% from a low point in July 2016. Despite a slight contraction in April, the level of employment averaged 75,000, just 500 off its record. The monthly gain in full-time employment was not enough to offset the loss in part-time employment. Labour force growth in April outpaced that for employment resulting in higher unemployment in the province – moving the unemployment rate up to 11.2%. With more people looking and available for work, the participation rate increased in April, suggesting an improved level of optimism toward finding employment.

Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Apr 2018	Mar 2018	Apr 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	125.1	124.8	123.3	0.3	0.2	1.8	1.5
Labour Force ('000)	84.3	83.8	82.0	0.5	0.6	2.3	2.8
Employment ('000)	75.0	75.2	73.8	-0.2	-0.3	1.2	1.6
Full-Time ('000)	63.0	62.5	62.4	0.5	0.8	0.6	1.0
Part-Time ('000)	12.0	12.7	11.4	-0.7	-5.5	0.6	5.3
Unemployment ('000)	9.4	8.6	8.1	0.8	9.3	1.3	16.0
Unemployment Rate (%)	11.2	10.3	9.9	0.9	-	1.3	-
Participation Rate (%)	67.4	67.1	66.5	0.3	-	0.9	-
Employment Rate (%)	60.0	60.3	59.9	-0.3	-	0.1	-

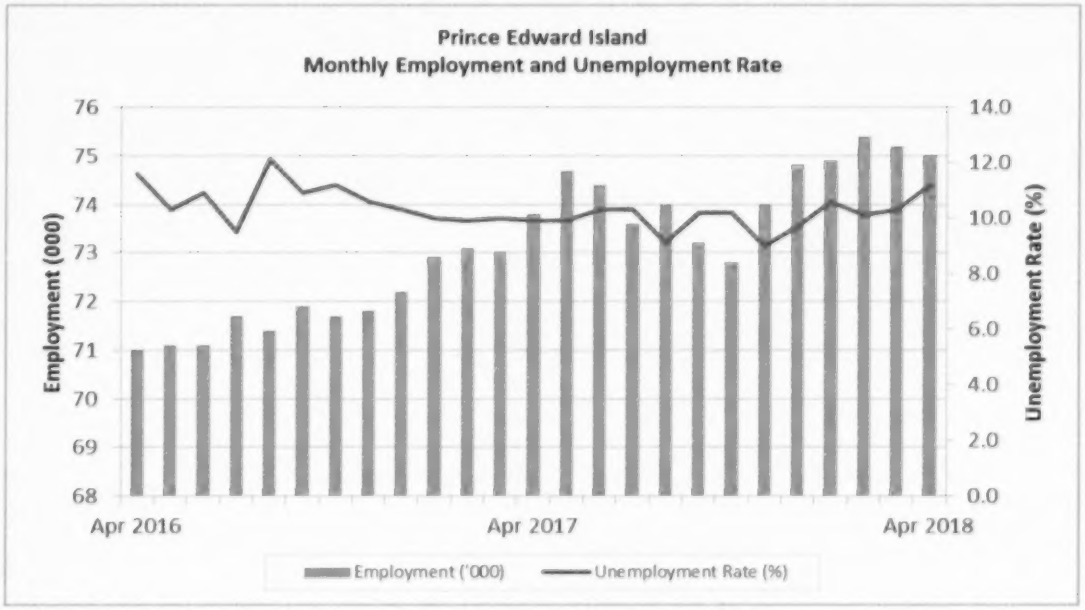
Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Labour force gains in PEI were robust year-over-year, especially compared to national growth. The Island's labour force increased by 2.8% from its level in April 2017, representing the strongest growth in the country. By comparison, growth nationally was 0.9%. PEI's labour force gains over this period were driven almost entirely by increased participation of older workers (persons aged 55 years and over). Women comprised a slight majority of this growth. A partial offset to this gain was a reduction in the number of Island youths (persons aged 15-24

years) working or looking for work. An average of 12,700 youths participated in the labour force in April, which is 200 fewer than a year ago. The youth labour force has been on a downward trend since having reached its 22 year high in March 2013 (at 14,400). Since then, the number of youths comprising PEI's labour force declined by nearly 12%. In the most recent quarter, youths comprised 15% of the Island's labour force, which is 11 percentage points lower compared to older workers (at 26%). Thirty years prior, the opposite was true: the share of youths in PEI's labour force exceeded that for older workers by the same proportion.

Employment in PEI expanded by 1.6% on a year-over-year basis, slightly exceeding the national rate. This was attributed equally to gains in both part-time and full-time employment, however the gender composition with respect to growth differed. Males accounted for all of the full-time gains while the part-time job growth was attributed entirely to women.



Most of the year-over-year gain in employment in April was attributed to strong growth in the number of self-employed persons (having accounted for three-quarters of the overall gain in employment). The number of self-employed workers in PEI increased by nearly 9% year-over-year, which represents the highest growth in the country. This compares to about 2% growth nationally. Private-sector employment was also up year-over-year (by 1.6%) while the number of public-sector employees declined (by 2.5%). Approximately 1 in 4 persons in PEI are employed by the public sector, about six percentage points higher than the national average.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Apr 2018	Mar 2018	Apr 2017	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	11.2	10.3	9.9	0.9	1.3
25 years and over	10.3	9.4	9.1	0.9	1.2
Men - 25 years and over	10.0	9.4	11.7	0.6	-1.7
Women - 25 years and over	10.7	9.3	6.3	1.4	4.4
15 to 24 years	15.7	15.3	14.0	0.4	1.7
Men - 15 to 24 years	21.5	20.6	15.4	0.9	6.1
Women - 15 to 24 years	8.1	9.8	12.5	-1.7	-4.4

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

The level of unemployment in the province increased year-over-year as employment growth failed to keep pace with the labour force. The unemployment rate, at 11.2% in April 2018, was second highest in the country behind Newfoundland and Labrador (14.5%). Among the major age categories in PEI, youths exhibited the highest unemployment rate in the most recent month, at 15.7%. The unemployment rate for youth males was considerably higher on a year-over-year basis (up 6.1 percentage points); but lower for females (down 4.4 percentage points, and below the national average (9.4%)).

Strong growth in the Island's labour force over the past year supported a near 1 percentage point increase in its particiaption rate, which averaged 67.4% in April 2018. This annual gain was the strongest in the country. Further, the participation rate for youth females, at 73.8% in April, was the highest amongst the provinces. The relative participation rates for the other major age categories in PEI ranked in the top three among provinces in this most recent month.

EMPLOYMENT BY INDUSTRY

The annual increase in PEI's employment base in April 2018 was entirely concentrated in the goods-producing sector, particularly **Agriculture** and **Construction**.

There were 5,800 people employed in Construction in April, which is 9.4% higher compared to a year ago. There has been considerable growth in construction activity in recent months. Based on available estimates, the value of building permits (residential and non-residential) in February 2018 was up by 46% over the same month in 2017. Furthermore, the volume of urban and rural construction of multiple-dwelling units was up by 11% over the same month in 2017. Growth in housing sales and population are key factors attributing to the strong performance in residential construction activity in the province. According to the Construction Association of Prince Edward Island, the industry is looking to hire upwards of 400 additional workers to meet existing demand. Furthermore, the association projects another 1,800 workers will need to be recruited in the province over the next ten years to fill anticipated vacancies from attrition.

Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Apr 2018	Mar 2018	Apr 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	75.0	75.2	73.8	-0.2	-0.3	1.2	1.6
Goods-producing sector	18.6	19.0	17.2	-0.4	-2.1	1.4	8.1
Agriculture	3.8	3.7	2.8	0.1	2.7	1.0	35.7
Forestry, fishing, mining, quarrying, oil and gas	2.3	2.5	2.3	-0.2	-8.0	0.0	0.0
Utilities	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Construction	5.8	6.0	5.3	-0.2	-3.3	0.5	9.4
Manufacturing	6.6	6.6	6.5	0.0	0.0	0.1	1.5
Services-producing sector	56.3	56.2	56.7	0.1	0.2	-0.4	-0.7
Trade	11.1	11.4	10.8	-0.3	-2.6	0.3	2.8
Transportation and warehousing	2.4	2.0	2.5	0.4	20.0	-0.1	-4.0
Finance, insurance, real estate and leasing	2.9	2.8	2.6	0.1	3.6	0.3	11.5
Professional, scientific and technical services	3.6	3.5	3.3	0.1	2.9	0.3	9.1
Business, building and other support services	2.0	1.9	2.0	0.1	5.3	0.0	0.0
Educational services	5.5	5.5	5.2	0.0	0.0	0.3	5.8
Health care and social assistance	10.8	11.0	10.7	-0.2	-1.8	0.1	0.9
Information, culture and recreation	2.9	2.7	3.3	0.2	7.4	-0.4	-12.1
Accommodation and food services	5.6	6.0	6.1	-0.4	-6.7	-0.5	-8.2
Other services	3.1	3.2	3.2	-0.1	-3.1	-0.1	-3.1
Public administration	6.4	6.3	7.0	0.1	1.6	-0.6	-8.6

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

Manufacturing employment continues to expand in the province. At 6,600 in April, the employment base for manufacturing is 400 shy of its all time high reached in August 2005. Companies in the industry continue to benefit from a favorable currency position relative to the U.S. dollar, which makes its exports more competitive in international markets. Island-based exports in 2017 were up by 4.6% over the previous year, driven by frozen food products (i.e. French fries); Turbo-Propellers; and fresh potatoes.

Service-sector employment contracted slightly in April 2018. Employment levels were lower in **Public administration**; **Accommodation and Food Services**; and **Information, culture and recreation**. However, notable gains in **Trade** (wholesale and retail); **Finance, insurance, real estate, rental and leasing**; and **Professional, scientific and technical services** partially offset the losses.

Note: *In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

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http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi
For information on the Labour Force Survey*, please visit the Statistics Canada Web site at: www.statcan.gc.ca*

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